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## ***Microsoft Office 365, Exchange Server and Outlook Market Analysis, 2020 - 2024***

### **SCOPE**

This study examines the markets for Microsoft Office 365, Exchange Server, Outlook, and Outlook on the web. For all products, this study provides extensive 2020 data regarding installed base, broken out by industry, business size, region, version, and other variables, along with four year forecasts. In addition, an overview of key features, direction, and our analysis of each product are included.

All market numbers, such as market size, forecasts, installed base, revenue information, and any financial information presented in this study represent *worldwide* figures, unless otherwise indicated. All revenue numbers are expressed in \$USD.

Regional breakouts are provided for: North America, Europe, Asia Pacific, and Rest of World. This report does not contain country breakouts but these may be obtained from The Radicati Group at an extra charge.

The revenue projections and market share figures in the following sections do not include revenues from systems integration or professional services.

This report uses the terms “mailboxes” and “accounts” interchangeably.

## METHODOLOGY

The information and analysis in this report is based on primary research conducted by The Radicati Group, Inc. Our proprietary methodology combines information derived from three principal sources:

- a. Our Worldwide Database which tracks user population, seat count, enterprise adoption and IT use from 1993 onwards.
- b. Surveys conducted on an on-going basis in all market areas which we cover.
- c. Market share, revenue, sales and customer demand information derived from vendor briefings.

Forecasts are based on historical information as well as our in-depth knowledge of market conditions and how we believe markets will evolve over time.

Finally, secondary research sources have also been used, where appropriate, to cross-check all the information we collect. These include company annual reports and other financial disclosures, industry trade association material, published government statistics and other published sources.

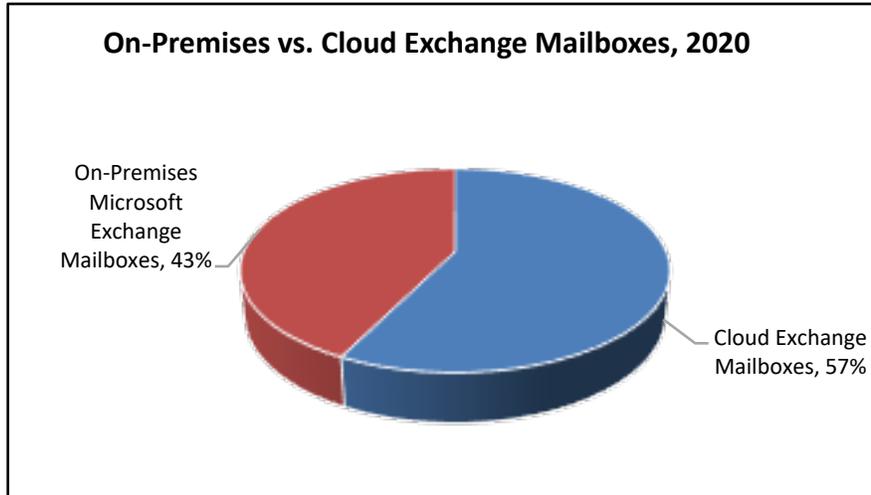
Our research processes and methodologies are proprietary and confidential.

## EXECUTIVE SUMMARY

- Microsoft Office 365 continues to see strong adoption in the Cloud Business Email market, as more organizations gain confidence with the security and privacy of cloud services. Office 365 includes Office, Exchange, SharePoint, Teams (formerly Skype for Business Online), Advanced Threat Protection (ATP), Exchange Online Archiving, OneDrive for Business, Power BI, Yammer, Delve and more. Microsoft offers Office 365 direct, as well as through CSP Partners, which are essentially resellers of Office 365. Partners own the rights to the customer, and are responsible for billing and providing Tier 1 or Tier 2 support while Microsoft hosts the service in its data centers. Microsoft has

also had early success in the Education Sector with the Office 365 Education version, aimed at students, faculty, and staff. Microsoft also offers the following packages:

- *Microsoft 365 Identity & Threat Protection* – which combines Microsoft Threat Protection (comprising Azure ATP, Windows Defender ATP, and Office 365 ATP) with Microsoft’s CASB offering Cloud App Security, and Azure Active Directory. The Identity & Threat Protection package functionality is available as part of the high-end Microsoft 365 E5 plan, or as an add-on package to other plans.
- *Information Protection & Compliance* – combines Office 365 Advanced Compliance and Azure Information Protection services and is aimed at the needs of compliance officers. It can also be an add-on package to other plans.
- Hosted Microsoft Exchange Partners offer cloud business email and collaboration services based on Hosted Microsoft Exchange Server. These Hosting Partners are responsible for managing the Hosted Microsoft Exchange service in their own data centers.
- Microsoft Exchange Server is Microsoft’s platform in the On-Premises Email and Collaboration space. It offers a wealth of messaging and collaboration features, including email, instant messaging and presence, voicemail, security, and more. Microsoft Exchange Server includes the Microsoft Outlook desktop client, as well as the Outlook on the web (formerly Outlook Web App or OWA) webmail client. Exchange Server 2019 is the latest version of Exchange Server. Consistent with Microsoft’s focus on Office 365, Microsoft Exchange Server 2016 and 2019 are on-premises versions of functionality already available in Office 365.
- On-Premises Microsoft Exchange Server deployments no longer account for the majority of worldwide Exchange mailboxes. In 2020, On-Premises Microsoft Exchange Server deployments represent 43% of all worldwide Exchange mailboxes, while Cloud Exchange mailboxes\* represent 57% of all Exchange mailboxes. (\*Note: refers to Office 365, and Hosted Exchange mailboxes combined).



**Figure 1: On-Premises Exchange vs. Cloud-based Exchange Deployment, 2020**

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